

BC Securities Commission Plain Language Style Guide

Updated March 2008



BC Securities Commission Plain Language Style Guide

We believe securities regulation should be clear and understandable to all market participants—everyone from sophisticated securities professionals to unsophisticated investors. As a result, all BCSC staff and executives receive plain language training. Since 2002, we have conducted an annual audit to track our performance and support our in-house commitment to plain language practice. We factor audit results into the Commission’s performance measurement system.

This guide sets out the norms that guide our plain language use. We hope it will support your own plain language practice. The CLARITY formula found in Chapter 3 is copyrighted material. We use it with the permission of Wordsmith Associates Communications Consultants Ltd. of Edmonton, Alberta. Please feel free to use and share the CLARITY formula and all other parts of the guide freely with colleagues and staff. We only ask that you credit Wordsmith and the BC Securities Commission when you do.

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British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street Vancouver, BC V7Y 1L2

Phone: 604-899-6500
Fax: 604-899-6506
Toll free 1-800-373-6393 (BC & Alberta)
Email: inquiries@bcsc.bc.ca
Website: www.bcsc.bc.ca

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Planning the Text

Read the following questions and explanations to help you think about your document. Then use the *Planning Guide Form* to help you plan and begin to write.

Writers vary in their needs to write at different stages in the writing process. The questions below will help with the first (writing-for-self) and second (writing-for others) stages.

<p>1. Who are your readers?</p>	<p>Identify your audience. You may have primary, secondary, and third-level readers. Write so all readers understand.</p>
<p>2. Why are you writing?</p>	<p>Early in the document, clarify your purpose. You may need to jot down a few ideas before you know why you are writing.</p>
<p>3. How do you want your readers to respond to your writing? What else might your readers want?</p>	<p>Do you want them to provide views on your policy? Fill in a registration form? Follow a regulation? If you want your readers to complete a task, provide a step-by-step action guide, for example:</p> <ol style="list-style-type: none"> 1: Complete the attached form 2: Forward to the BCSC by the deadline
<p>4. What is the best format for your message?</p>	<p>Would it work best as a letter, brochure, policy statement, form, procedure, or formal decision? Would it help your readers understand if you used charts or another type of graphic to communicate detailed information?</p>
<p>5. What details do your readers need?</p>	<p>Outline everything your readers need to know. Remember, your readers may not be experts in securities requirements. Think of how you can best communicate with your readers, given their level of expertise.</p>
<p>6. Is there any part of your message that is complex? Or crucial to remember?</p>	<p>Break the complex parts into simple steps. Highlight deadlines or set locations and times apart with white space.</p>
<p>7. What is the key point for your readers?</p>	<p>Use a descriptive subject heading for the most important information. The first paragraph or a summary section should provide a map for your readers.</p>

<p>8. What's the best order to get your message across?</p>	<p>Consider your readers when deciding the best way to logically, persuasively, or sensitively convey the information. If the message is bad news, you may need a buffer or backgrounder beforehand. Or, it may be inappropriate to keep the bad news to the end. Generally, good news should come at the start of a document.</p>
<p>9. Do your readers understand securities or financial language?</p>	<p>You are writing for an audience—not for yourself. Be aware of your readers' level of expertise and their needs. Avoid jargon, legalese, or other technical terms. Explain specialist terms in plain language. Some BCSC language is not even understood by all BCSC employees, and especially not by most of the public. If you must use an acronym, define it the first time you use it in a document.</p>
<p>10. What design elements will best help your readers understand your message?</p>	<p>Think about white space, summaries, headings, subheadings, and margins. Use examples. Include visuals such as diagrams, flowcharts, tables and formulas, question and answer formats, and boxes or shading.</p>
<p>11. Should you separate your information?</p>	<p>Place background or supporting materials in attachments. If you want a contract signed or a form filled out and returned, separate it from the covering letter or instructions.</p>



Designing the Text

This part of the style guide sets standards for preparing Commission documents. We want to ensure that our documents:

1. Have a consistent look
2. Are easy to read on screen or on paper
3. Lend themselves to an electronic database search

BCSC templates

Use the BCSC templates when creating a new letter, memo, fax cover, PowerPoint presentation, or neutral citation document.

Body

Use clear, descriptive, and sequentially logical subheadings to draw the reader through the text. Bulleted or numbered lists also help to organize content for easier reading.

Correspondence

Correspondence is one place where all your plain language skills come together. As email attachments and embedded messages become acceptable business records, don't lose sight of the importance of clear and accurate business correspondence. Sample correspondence.

Date

Do not use the word "Dated". Use *left align* and insert the date above the signature block. Use this format: *name of the month* (in full, never abbreviated or represented by figures); *day* (in figures followed by a comma); and *complete year*. The only place for a *dateline*—as in Vancouver, British Columbia—is in a news release.

Email

Sample email

Firewalls and spam screens can not only keep your email from arriving at its destination, they can strip your email text of formatting. Your best insurance is to follow these few guidelines:

1. Use the default font.
 2. Capitalize the first letter of key words (title case).
 3. Manually insert numbers or dashes for lists, instead of using the "rich text" function in your email program.
 4. Double space between paragraphs.
 5. Remember to keep the spell checker on!
-

Font size Use a 12-point font for text and 13- or 14-point for headings.

Headings Use subject headings and subheadings to tell your story. Bold your headings and subheadings to differentiate them from text. You can also use a different size font to distinguish headings from subheadings. If your document has two orders of headings (headings and subheadings) you may insert a space between heading and text, but do not insert one between subheading and text. If your document has only one order of headings, do not insert a space between headings and text.

Italics Avoid italics in continuous text unless you are referring to the *Securities Act*, *Securities Regulation*, or *Securities Rules* or to titles of reports, books, or publications. Occasionally, you might use italics for emphasis.

Justification Use *left align* to ensure consistent word spaces and **do not** indent the first line of a paragraph. For easier reading, indent blocks of text such as quoted text longer than three lines.

Letterhead Use the BCSC letterhead for original letters. Do not add your division's name at the top of the letter. Rather, include it in the signature block. Use the *e-letter* template when preparing a letter that will be sent by email.

Lists Use lists to make your text easier to read, to create emphasis, or to make points. You could use simple bullets for your business documents, or numbers, which are easier to refer to in meetings. You may use either lower case or initial capital letters to start list entries that are not full sentences.

Logos Contact Communications & Education for guidance on using the BCSC corporate or the InvestRight investor education logos.

Neutral Citation

Follow the neutral citation standard¹ when you create decisions, orders, settlement agreements, and notices of hearing:

- Each published decision or order of the Commission is uniquely identified. For example, the tenth order published in 2008 is cited as 2008 BCSECCOM 10.
- Number paragraphs systematically so that people can easily refer to specific parts of our orders.
- Use multi-level numbering for lists.
- Apply the standard to all published decisions and orders; confidential orders do not follow this standard.

You do not need to edit the text of reciprocal orders adopted in BC from other jurisdictions to conform to our plain language standards. Do follow the neutral citation standards.

Paragraphs

Use single spacing for your text and double spacing at the end of sections and between paragraphs.

Punctuating lists

BCSC style omits punctuation from most lists. List punctuation is a holdover from traditional print-based writing, which has become obsolete with the move to web-based information materials and electronic documents. The exception is when all items in a list are full sentences or if the items are very long. Refer to the guidance for punctuation for the preferred way of punctuating lists.

¹ A standard of the Canadian Citation Committee. For more information, visit their website: http://www.lexum.umontreal.ca/ccc-ccr/index_en.html

Quoted text	If quoted text is over three lines, introduce it with a colon, add a space before and after the quotation and indent the quoted material. If the text you are quoting is three lines or less, introduce the quote linearly in your sentence and put quotation marks around it. There is no need to use quotation marks when inserting an acronym after a proper name. Putting the abbreviation in brackets is enough, as in British Columbia Securities Commission (BCSC).
Sentences	Use only one keystroke after a period (or other punctuation mark ending a sentence) and before the first word of the next sentence.
Signature block	Use <i>left align</i> and leave four to six lines between the date and the first line of the signature block. Put the name of the person signing the document on the first line of the signature block and the title of the person, on the second line.
Tables	A 4-point space above and below each entry will make it easier to read. Take care to align the entries in each column. Closed tables are often easiest to read, but you may decide for the “look” to modify the lines in you table (as in this section).
Titles	In formal documents, centre the title. In the first line, describe what the document is, for example, an Investigation Order, Freeze Order etc. In the second line, name the parties. In the third line, state the statutory authority relied on to issue the document. Put a space between each line. Do not capitalize the entire title. Only capitalize the first letter of the key words (title case). Bold the title for emphasis.
Typeface	Use the serif typeface, Times New Roman, for printed documents. Emails and web materials generally use a sans serif font.
White space	Let your document "breathe". Include visuals (tables, charts, graphics, diagrams, etc.) for variety. Readers appreciate the clarity of appropriate visuals that are integrated into text rather than in an attachment.

Writing the Text

CLARITY² – The seven plain language principles

Conciseness

Lean language

Active voice

Regular and reasonable language

Image-evoking, concrete and specific

Tight organization

You and your audience

² The CLARITY formula is copyrighted material and is used in this *Style Guide* with the permission of Wordsmith Associates Communications Consultants Ltd.

Conciseness

The Conciseness principle works with the other CLARITY principles to create succinct sentences, paragraphs, and headings. A good general rule is to keep sentences under 35 words at most and to average 15 to 25 words a sentence. This does not mean plain-language writing produces repetitively short, choppy sentences. Plain-language text should exhibit a variety of sentence lengths and reflect the grace and rhythm of excellent prose. Paragraphs should not exceed seven or eight lines.

- 1. Look for patterns in the writing that allow listing of comparable items.
Patterns include similar actions, concepts, or steps in a process.**

Before

For discussion purposes, the draft policy has been prepared following the principle of harmonization. It follows Ontario Securities Commission By-Law No. 2, both as to substance and form. Deviations were made only to be consistent with our *Securities* legislation, except Part 2 of the *Securities Regulation*. The comments appearing in the draft policy deal with all the provisions of Part 2 of the *Securities Regulation*, and, to the extent the draft policy deviates from Part 2 of the *Securities Regulation*, the deviations are pointed out. The comments also deal with Alberta Securities Commission Codes of Conduct for members and employees. Where there are significant deviations from the draft policy, these deviations have been pointed out. Copies of Part 2 of the *Securities Regulation*, OSC By-Law No. 2 and the ASC Codes of Conduct for members and employees have been included with this memorandum.

(143 words)

After

We have prepared a draft policy for discussion modeled in both form and substance on Ontario Securities Commission (OSC) By-law No. 2. The draft policy notes differences from:

- 1 OSC By-law No. 2
- 2 part 2 of the *Securities Regulation*
- 3 the *Codes of Conduct* for members and employees of the Alberta Securities Commission

We include copies of the three source documents with this memorandum

(65 words)

2. Avoid the overly busy, two-preposition structure highlighted below and abstract language such as *product structure*.

Before	After
Rules governing the operation of or service providers to the productstructure (12 words)	Rules for product operators and service providers. (7 words)

3. Prune out extra words and repetition to shorten the sentence.

Before	After
As a result of the recent adoption of new Ontario Securities Commission (“OSC”) Rules, issuers who are reporting issuers in Ontario are subject to the following new financial statement reporting requirements for fiscal periods commencing January 1, 200X or later: (40 words)	The Ontario Securities Commission (OSC) has adopted new financial reporting rules. For fiscal periods beginning January 200X or later, reporting issuers in Ontario must: (24 words)

Before	After
Should any space be insufficient for your answers, a statement may be attached and marked as an exhibit cross-referencing each statement to the item to which it pertains providing it is initialed by the applicant and the Commissioner taking the affidavit. (42 word sentence)	If you run out of space for an answer: <ol style="list-style-type: none"> 1. Attach a statement or continuation of your answer. 2. Mark it as an <i>Exhibit</i> at the top. 3. Write at the top of the <i>Exhibit</i> the item number you are answering. 4. Initial the Exhibit yourself and ensure the Commissioner taking the affidavit initials it. (one 9-word segment, two 8-, and two 14-word sentences)

Lean Language

The Lean Language principle eliminates language that is elitist, legal, bureaucratic, clichéd, pompous, wordy, dense, or redundant. It substitutes plain language for specialist languages such as legalese or financial and securities-related jargon that a reader outside the field would not know.

- 1. Avoid the language of the court unless you are before the court or when your documents must meet the requirements of the legislation.** For general documents, however, use more natural language, not the legalese highlighted in the examples below. Note that you should replace *with respect to* with *for* and *recommend* for *submits*. The sentence below uses *staff* as a plural.

Before	After
Staff submits that, with respect to the proposed penalty, the Commission ought to consider ...	Staff recommend that, for the proposed penalty, the Commission consider ...

- 2. Eliminate common redundant expressions.**

Before	After
Mr. X should not engage in investor relations activities for a period of 20 years and should pay a penalty in the amount of \$15,000.	M. X should not engage in investor relations activities for 10 years and should pay a penalty of \$15,000.

- 3. Use verbs instead of nouns when possible.** Many people try to inflate their language with multi-syllabic noun forms, but plain language principles can help you avoid the temptation to do it yourself. *Implement* is easier to read than *implementation*.

Before	After
I enclose a new settlement agreement for signature by your client.	I enclose a new settlement agreement for your client to sign.

Active Voice Verbs

Use the active voice whenever you can. To do this, identify the person or thing performing the action (the agent) and place the agent before the action or verb. Sentences with active voice verbs are shorter, less ambiguous, and more direct. They add a human element to the document. Readers read documents in the active voice faster than those written in passive voice.

Note that using the active voice does not always mean writing personally—see the last two examples below. In the first and fourth examples, the change from passive to active voice required a new word for the active voice substitute.

Passive Voice	Active Voice
For the above reasons, it is requested that the requested relief be granted .	For the above reasons, staff (or we) recommend that the Commission grant the requested relief.
The following agreement has been reached between Alex M. Astute and the Executive Director:	Alex M. Astute and the Executive Director agree to the following:
As a result, similar information is collected, processed, and maintained on several different registration systems.	As a result, several different registration systems collect, process, and maintain similar information.
The services provided and resulting remuneration must be reflected in an agreement between the dealer and the salesperson's corporation	The agreement between the dealer and the salesperson's corporation must describe the services provided and the resulting remuneration

Using personal pronouns with verbs in the active voice is a characteristic of plain language. But be careful to avoid the pitfall of repetitive structures. The *after* below shows different ways to both maintain the active voice and vary the sentence structure. Starting every sentence with *We* is monotonous and can make the author (or speaker) sound self-centred. Listen to the sound and flow of your words.

Before	After
<p>Within our own statutory system in BC, we have launched a major effort to streamline our rules and policies and to rewrite all of our documents in plain language. We want to make regulation clear and to organize it logically, so market participants can easily access information and understand the rules. We have already eliminated 140 policies and rules. We will consolidate the remaining ones into a single numbering system and review them annually to consider whether they are still required.</p>	<p>Within our own regulatory system in BC, we have launched a major effort to streamline our rules and policies and to rewrite all of our document sin plain language. Our intent is to make regulation clear and to organize it logically, so market participants can easily access information and understand rules. Already, we have eliminated 140 policies and rules. Our final tasks are to consolidate the remaining ones into a single numbering system and review them annually to consider whether we still need them.</p>
<p>We have also emphasized education of investors and industry participants as important tools of regulation. We presented investor education seminars across the province to “street proof” the public from fraudulent and abusive schemes. We also teamed-up with Junior Achievement (JA) to develop and present high school programs across BC on economics and personal investing.</p>	<p>The Commission has also emphasized education of investors and industry participants as important tools of regulation. Our presentations of investor education seminars across the province helped to “street proof” the public from fraudulent and abusive investment schemes. Teaming up with Junior Achievement (JA), we developed and presented high school programs across BC on economics and personal investing.</p>

Regular and Reasonable Language

The regular and reasonable principle focuses on correct grammar, spelling, punctuation, capitalization, technical presentation issues, and gender-free or gender-neutral usage. The table below gives examples of common mistakes.

Before	After	Issue
The interviewer can exploit this reaction by asking behavior observation questions (BOQ's).	. . . (BOQs).	There is no apostrophe for plural abbreviations.
The Securities Act was breached by this issuer.	This issuer breached the <i>Securities Act</i> .	Italicize references to the <i>Securities Act</i> (and use the active voice).
We are prepared to recommend that the prohibition excludes private issuers. [CM: Please move the examples up.]	We are prepared to recommend that the prohibition exclude private issuers.	The subject and verb must match in number.
The Commission questioned Mr. Morris' credibility and listened to the witness' reply.	The Commission questioned Mr. Morris's credibility and listened to the witness's reply.	Use an 's for possession of a word with an s sound if a new syllable is formed in pronouncing the 's.
We found his explanations self serving and incredible.	We found his explanations self-serving and not credible.	Check meanings and spellings (including hyphen) in an up-to-date dictionary or the <i>Gregg Reference Manual</i> .
The Atlantic Corporation ("Atlantic")	The Atlantic Corporation (Atlantic)	Delete quotation marks for defined terms, abbreviations, or acronyms in parentheses.
Based on the results of the survey, the CSA rewrote the policy. (Here, the CSA is based on the results of the survey!)	The CSA rewrote the policy using the results of the survey.	Rewrite to overcome the misplaced modifier.

The Capital Markets Regulation division oversees securities firms, their employees, self-regulatory organizations and exchanges.	The Capital Markets Regulation division oversees securities firms, their employees, self-regulatory organizations, and exchanges.	Use a final comma before the last <i>and</i> or <i>or</i> in a sentence's list.
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Gender-Neutral and Gender-Free Language

Professional writing and English teaching organizations have been promoting gender-neutral language for over 35 years. The following examples present typical challenges.

The traditional use of the masculine pronouns (*he* or *his* to stand for both masculine and feminine) is no longer used in modern business or legal writing. *Gender-neutral language* advocates sometimes using *he or she* or *him or her*. Their occasional use may be non-intrusive, but their repetitive use distracts and annoys readers. *Gender-free language* is preferable. The following examples illustrate gender-free strategies. The Law Reform Commission of British Columbia, as well as North American English teaching organizations, advocate this approach. [insert link

1. Eliminate the reference to the object.

Before	After
A well-advised insider will do his best to provide for anticipated changes.	A well-advised insider will provide for anticipated changes. <i>Or, use the plural:</i> Well –advised insiders will do their best to provide for anticipated changes.

2. Replace his with *the* or *a*.

Before	After
This letter describes requirements that apply after a registrant receives his certificate.	This letter describes requirements that apply after a registrant receives the certificate.

3. Use the plural instead of the singular.

Before	After
The borrower who is not prompt in making the payments due under his mortgage risks losing his home through a foreclosure procedure.	Borrowers who are not prompt in making the payments due under their mortgages risk losing their homes through foreclosure procedures.

4. Recast the sentence to eliminate the possessive reference.

Before	After
If a salesperson has been involved with money laundering, his registration will be cancelled.	The Commission will cancel the registration of a salesperson engaging in money laundering.

Image-Evoking, Concrete, Specific

The Image-evoking principle applies to both text and design. We know that images are more memorable than abstractions. Vocabulary that creates images in the reader's mind is more persuasive and readable. Similarly, variety in text layout, white space, itemization, tables, charts, and other design or graphic features make text easier, more interesting, and quicker to process. Try to keep paragraphs to a maximum of seven or eight lines.

Examples of vivid text

The following passages engage readers because of their effective, image-evoking style.

The cognitive interview

The cognitive interview is a **cousin of hypnosis**. It encourages subjects to recreate the entirety of their state of consciousness at the time of the event in question. The interviewer asks subjects to recall such elements as their emotional state, what they were smelling, the feel of clothing against the skin, background sounds, etc. In this manner, all of the senses, not just sight, **are recruited to the memory process**. **Other avenues** include asking the subject to remember events in reverse chronological order.

New detectors of securities fraud and suspect trading practices

What the program does is allow our investigators to re-create the purchase and sale of securities on stock exchanges across Canada. A key feature is the ability to identify which purchasers bought shares from a particular seller. **It's not just like being able to find the needle in the haystack. It's like finding the needle and the thread that went through it.** The software has reduced the time it takes to analyze trading data from months to weeks.

Example of image-evoking design

Before

New Ontario Financial Statement Reporting Requirements - January 2001

As a result of the recent adoption of new Ontario Securities Commission (“OSC”) Rules, issuers who are reporting issuers in Ontario are subject to the following new financial statement reporting requirements for fiscal periods commencing January 1, 2001 or later:

1. ***Interim MD&A***: interim MD&A must be included along with interim financial statements;
2. ***Additional Prescribed Content***: interim financial statements must now also include a balance sheet, statement of retained earnings, and income and cash flow statements for the latest three month period (and notes hereto);
3. ***Balance Sheets***: balance sheets included in either interim or annual financial statements must include 14 specified line items, subject to certain thresholds; and
4. ***Requisite Approval***: interim financial statements must be reviewed by either the board of directors or the audit committee, prior to filing or mailing.

These changes are a result of the implementation of OSC Rule 51-501 – AIF and MD&A (which replaces OSC Policy 5.10) and OSC Rule 52-501 –Financial Statements, and are each discussed in further detail below.

(179 words)

After

New Ontario financial statement reporting requirements

January 2001

The Ontario Securities Commission (OSC) adopted new financial reporting rules. For fiscal periods beginning in January 2001 or later, reporting issuers in Ontario must:

- | | |
|---|--|
| 1. Interim MD&A | Include an interim MD&A with interim financial statements. |
| 2. Interim financial statement | Include a balance sheet, statement of retained earnings, and income and cash flow statements for the latest three-month period (with related notes).
Have either the board of directors or the audit committee review the interim financials statements before filing or mailing. |
| 3. Balance sheets for interim or annual financial statements | Include 14 specified line items, subject to certain thresholds. |

These changes result from the new OSC Rule 51-501 *AIF and MD&A* (which replaces OSC Policy 5.10) and OSC Rule 52-501 *Financial Statements*. We discuss each in further detail below.

(135 words)

Comment: Consider how the design in the *before* example makes the text more difficult to read and in the *after*, easier. The following table outlines the formatting changes used in the *after* example.

Feature	Before	After
Indentation	The left margin has three levels of indentation and presents a busy look.	We used <i>align left</i> . The look is cleaner.
Justification	The text is justified right creating uneven spaces between words in different sentences. Compare the last two lines in the original	We used <i>align left</i> .
Titles	The main heading is underlined. Underlined text fights with the letters' descenders (vertical parts of letters that hang over the line), and the bolding, and is more difficult to read.	The main heading is only bolded, not underlined.
Headings	Headings are italicized and bolded. Italics are hard to read in extended text.	Just bold headings. Bolding is preferable for a first order heading.
Relative size of headings	Perhaps the author used italics to make the subheadings different from the title	Instead, the redesign makes the title slightly larger (13-point instead of 12).
Structure of headings	The numbered headings were a mixture of categories: documents and changes to treatment of documents.	The rewrite recombines the material under three document categories.
Verb voices	Text in the original included passive voice constructions. As well, the items camouflaged the instructions.	We have changed some sentences to active voice. See line 1 of items 1 and 4. Using the command format (imperative, which is active voice) makes procedures easier to follow.

Feature	Before	After
Punctuation	Semi colons at the ends of items	Periods clearly show that each requirement is complete. In lists without sentences, generally, use no punctuation after the initial colon.
Sentence length	The 40-word first sentence is difficult to read. The last sentence is 36 words and includes a passive voice.	The rewrite is 24 words. Shorter sentences look more inviting. The rewrite breaks it into a 25- and an 8-word sentence. The active voice introduces the writers with <i>we</i> .
Spacing	The beginning “hugs” the title too closely. The page needs breathing room.	We have added space.
Correctness issues	Language such as <i>thereto</i> is intrusive, old-fashioned, and unnecessary. <i>Three-month</i> is not hyphenated in the <i>before</i> . (Point 2)	We corrected these items.
Sentence format	The text after the four headings is in sentence format, yet there are no capitals at beginnings of the sentences in the original.	We used standard capitalization at the beginning of sentences to create a more natural look.

Tight Organization

Tight Organization refers to the effective functions and connections of the various parts of a document. Wordsmith Associates recommends the Star→Chain→Hook formula, in which:

- The *star*, or opening segment, introduces the purpose, focus, or theme of the document. As a star, it must attract the reader's attention, and, if possible, save the reader time.
- The *chain* represents the logical links in the body of the organization. Narrative, chronological, visual (for example, parallel headings to "tell the story") or causative links are good examples.
- The last segment of the organizing formula is the *hook*, usually an action hook. It makes action easy and provides the next steps, or recommendations. This is the place for deadlines, contacts, telephone numbers, or e-mail addresses.

Here are three examples of tight organization tactics:

- Revised financial reporting requirements
- Sample email
- Decision

You and Your Audience

Y refers to audience sensitivity and achieving the appropriate, but always professional, tone. Adjust the following factors to your readers:

Vocabulary.....technical to lay language?
Type of context.....summary to detailed?
Styleformal to informal?
Formata notice? a letter? an order?
Length.....short to long?
Tone.....analytic? authoritative? persuasive? co-operative?

Some documents we prepare under securities legislation do not need to be formal. For example, the following voluntary surrender of reporting issuer status notification follows from securities law but is written in plain language.

Email: abc@lawoffice.com

February XX, 200X

Scan ID#XXXXXX-5

Name
Law firm name
Barristers & Solicitors
Address
City, PR Postal

Dear Name:

Company Name

Notice under BC Instrument 11-502 Voluntary Surrender of Reporting Issuer Status

Thank you for your January XX, 200X letter. We confirm it is acceptable to us. Non-reporting status took effect on January (XX + 10 days), 200X.

If you have any questions about this, please call me at (604) 899-XXXX.

Yours truly,

Name
Senior Filings Administrator
Financial and Insider Reporting

Plain-language substitutes for common legal or overly-formal words or phrases

Original	Suggested substitutes
advised	told, informed, <i>or</i> asked
affidavit	sworn statement
apportionment of costs	apportioning costs <i>or</i> dividing up <i>or</i> deciding on the costs
arising out of	from
assemble evidence	collect evidence
determination	finding
disposition (as in “I will refer the matter to X for disposition”)	for action <i>or</i> for a decision
evidence the indebtedness of Mr. X	show Mr. X’s indebtedness
following their termination of employment	after their employment ends
further to	as a follow up <i>or</i> following our discussion
held	stated or concluded
I make oath and say	I swear <i>or</i> affirm
in accordance with	under <i>or</i> following
in order to	to
in respect of <i>or</i> with respect to	for, about, <i>or</i> on
in the event that	if
in the matter of	the case of <i>or</i> delete
issuance	issuing

Original	Suggested substitute
material evidence ³	significant <i>or</i> relevant evidence
material period	the relevant period <i>or</i> the period in question <i>or</i> that period
monies	money
perpetrated a fraud	committed a fraud
pursuant to the <i>Act</i>	under the Act <i>or</i> the Act requires
receipt evidencing a loan	receipt for a loan
style of cause	title <i>or</i> name of proceeding
submits	thinks <i>or</i> believes <i>or</i> recommends
the requested relief	the request for an exemption, <i>or</i> specify the relief <i>or</i> order <i>or</i> penalty
to address the issue	to solve the problem, to respond to the issue, to consider <i>or</i> tackle an issue, to handle it, describe it, come up with a solution
undertaking	promise
valuable consideration	in exchange for (money, etc.)
waives any right	gives up any right
where	when <i>or</i> in the case of (use “where” only for location)
would not be prejudicial	would not prejudice

³ *Material fact* and *material change* are defined in the Act. Sometimes it is appropriate to use these words. Other times, you should use a substitute. Consider the following substitute for material fact: “a fact that could significantly affect the value or price of a security”.

Additional Guidance for BCSC Style

Abbreviations

These are the rules for abbreviations:

1. **When referring to the Commission**, use the British Columbia Securities Commission, the Commission, or the BCSC depending on the context. Always use “the” before BCSC.
2. **When referring to the Canadian Securities Administrators**, use the Canadian Securities Administrators or CSA. Always use “the” before CSA.

Note: Refer to CSA as a plural: The CSA are issuing a news release.

3. When abbreviating British Columbia in text, use BC. When a document contains only a few references to the province, spell out its name.
4. Do not combine abbreviations and full names (for example, use British Columbia and Alberta, not BC and Alberta).

Act, Regulation, and Rules

When you first refer to the Act, a Regulation, or Rules in a document, use italics and write:

Securities Act
Securities Regulation
Securities Rules

When you subsequently refer to the Act, Regulation or Rules, in the same document, use the regular font and write:

Act
Regulation
Rules

If you need a citation, use the following:

Securities Act, RSBC 1996, c. 418
Securities Regulation, BC Reg. 196/97
Securities Rules, BC Reg. 194/97

If you want a general reference to the requirements of the Act, Regulation or Rules, use “securities legislation”.

Capitalization

These are the rules about capitalizing words:

Do

- 1 Capitalize the first letter of the first word of every sentence, including complete sentences in a numbered or bulleted list.
- 2 Capitalize the first letter of Commission, Act, Regulation and Rules.

Don't

- 1 Do not capitalize the first letter of staff, internet, website, staffweb, and email.
- 2 Do not capitalize the first letter of defined terms even if they are defined in the Act, the Regulation or the Rules, a definition section, or the body of the text. Capitalizing intrudes on the reading process.
- 3 Do not capitalize the first letter of position or division titles in text (including the chair, the vice-chair, a commissioner, the executive director and, any director, manager or other title), except in formal documents and in signature blocks.
- 4 Do not capitalize the first letter of key words for emphasis (for example in a heading or subheading), except in titles of documents (for example, Notice of Hearing, Temporary Order, etc.).
- 5 Do not use continuous capital letters.

Refer to the *Gregg Reference Manual* for other more specific rules on capitalization.

Dates

These are the rules for using dates:

1. Use the following format in business correspondence and other documents: *name of the month* (in full, never abbreviated or represented by figures), the *day* (in figures followed by a comma), and the *complete year*.

April 9, 2002 (**not** Apr. 9, 2002, April 9th, 2002 or 04.09.01)

2. Note the use of commas and other punctuation in writing dates.

On October 28, 1999, we bought our house. Charges for February 2001 hit an all-time high.

The June 2001 issue of *Insight* was exceptional. (Commas are not needed when just the month and year are used as an adjective.)

The July 15, 2001, *Globe and Mail* front page focused on Beijing winning the 2008 Olympics. (Use two commas to set off the year when a complete date serves as an adjective.)

Defined terms

Minimize the use of defined terms. Define a term only if necessary to avoid confusion and, when you do, do not use quotation marks or capitalize the defined term.

Footnotes

Avoid overusing footnotes. You should only use footnotes if necessary to provide an explanation that would otherwise interrupt the flow of the text.

If you must, use footnotes instead of endnotes.

Local and national instruments

The first time you refer to a local rule or a local policy, a national instrument, a companion policy, or a national policy in a document, use the full name of the instrument and italicize the name of the document. For example, refer to:

- National Instrument 21-101 *Marketplace Operation*
- Companion Policy 21-101CP
- National Policy 47-201 *Trading Securities Using the Internet and Other Electronic Means*
- BC Policy 31-601 *Registration Requirements*

When you subsequently refer to the same rule or policy, you may use a variety of words. Use your judgment in the context and choose the most appropriate term. For example, if you want to refer to National Instrument 21-101 *Marketplace Operation* again, you could use:

- national instrument
- instrument
- NI 21-101
- marketplace operation rule

Money

These are the rules for referring to money:

1. **Use figures, not words, and not figures and words, to express exact or appropriate amounts of money.**

\$8 \$1,900

\$13.75 nearly \$50,000

2. **For amounts of money from different currencies, use the abbreviation or symbol *before* the amount.**

Can \$10,000 (Canadian dollars)
US \$10,000 (US dollars)
Mex \$10,000 (Mexican pesos)
DM 10,000 (Deutsche marks)
£ 10,000 (British pounds)
¥ 10,000 (Japanese yen)

3. **Do not add a decimal point or zeros to whole dollar amounts.**
X shares cost \$12.50; Y shares cost \$20, but they are still a better investment.
4. **In a column, if any amount contains cents, add the decimal point and two zeros to maintain a uniform appearance. Vertically align the dollar signs to the left of the longest amount in the column.**

\$275.75	\$ 165.00
25.00	3,450.25
<u>8.20</u>	<u>98,547.25</u>
<u>\$308.95</u>	<u>\$102,547.25</u>

Note: the dollar sign appears before the *first* item and the total.

5. **Write money in round amounts of a million or more partially in words.**

\$23 million \$6.25 billion \$10.5 million \$6,250 million

6. **Write related amounts in the same way:**

\$500,000 to \$1,000,000
not \$500,000 to \$1 million

7. **Repeat the word million (billion, etc.) with each figure to avoid misunderstanding.**

\$5 million to \$10 million *or*, half to one million
(*not* \$5 to \$10 million)

Numbers

These are the rules for using numbers:

1. **Words or figures: over and under 10**

In running text, generally write out numbers from one to nine in words; use figures for numbers 10 or greater.

The Commission issued eight orders this month. This was significantly lower than last month's 14 orders.

2. Figures don't begin sentences

Never begin a sentence with a figure: place the number elsewhere in the sentences, or spell it out.

Twenty Commission employees attended the training course.

or

The Commission had 20 employees attending the training session.

3. Numbers in technical writing

In technical writing and especially in tables and charts, figures are almost always preferable. In general business writing, use them when needed for greater emphasis and clarity.

4. Spelling out numbers

When writing out numbers in words, hyphenate all compound numbers between 21 and 99, even within larger numbers. Do not hyphenate other numbers.

twenty-one

thirty-six hundred

ninety-nine

5. Adjacent numbers

When two adjacent numbers are not separated by punctuation, spell one out and write the other in figures. Write out the shorter number.

two 7-drawer files

20 ten-drawer files

6. Series of numbers

- When a number beginning a sentence is followed by another related number, spell out both.
Thirty or forty jobs are at stake.
- When a series of three or more numbers appears in a sentence, express all in figures (even though some are under 10).
- We had 12 applicants from Vancouver, 14 from Victoria, and 3 from Prince George.
- When two series of numbers referring to different things appear in a single sentence, avoid confusion by writing one series in words and the other in figures.

Two applicants scored 80 points, thirteen scored 75 points, and four scored 60.

7. Two numbers

When two related numbers appear in a sentence, one 10 or above and one below 10, write both in numbers.

The author found 7 mistakes when proofreading, but her colleague found 23.

8. Measurements

- Use figures before symbols or abbreviations for units of measurements.
15 cu ft

- Repeat the unit symbol in a range or a series.
20% - 40%
discounts of 5%, 10% and 15%

- If the unit is written out, you may write out the numbers as well; in a range or series, write the unit only once.

fifteen cubic feet
thirty miles
from 20 to 50 percent

9. Percentages

- Use the % sign in technical materials or in tables. The % symbol is quick to read.
a 55% increase
- You may write out *percent* in non-technical text.
Only 55 percent agreed.
- Do not hyphenate a percentage used as an adjective.
a 55 percent increase

10. Fractions and decimals

- Use words for common fractions in running text; use figures for mixed numbers (whole number plus a fraction).

One-half of the employees
 $7\frac{3}{4}$

- In tables or series, use figures. Do not add “*th*”.

1.2”
 $\frac{6}{32}$
 $\frac{1}{25}$ (*not* 1/25th)

- Use decimals (not fractions) in technical and statistical writing and with metric

and SI (International System) units.

1.75

- Insert a zero before the decimal point in numbers less than one (not dollar references).

0.25

0.0037

11. Abbreviation

Write *Number* or *No.* before a digit as an abbreviation (except at the beginning of a sentence).

No. 21 (singular)

Nos. 8511, 8532, and 8614

Number 39 follows.

12. Symbols

You may use the symbol # on business forms or in technical matter.

Invoice #002

13. Figures with abbreviations and symbols

Always use figures with abbreviations and symbols.

\$50 43% 2 in 2"

65¢ No. 21 5°C 200 km

14. Symbols in a series of numbers

Always repeat a symbol when used with a series of numbers.

Discounts of 5%, 10%, and 20% *but* discounts of 5, 10, and 15 percent

Punctuation

Text is easier to read when the appropriate punctuation flags are neatly in place. Punctuation provides the directional or traffic signs for writing. If you follow the standard rules, the words will flow smoothly.

Colons

These are the rules for using colons:

- 1. Use a colon to separate two parts of a sentence when the second part further explains the first.**

Staff's practice in cases of bankruptcy is clear: impose a condition of strict supervision on the registrant until the bankruptcy is discharged.

- 2. Use a colon in running text with an umbrella phrase (a noun phrase such *the following* or *these items*) to introduce a list.**

We reviewed all client accounts for the following: unsuitability of investments, excessive trading, improper use of discretion, and violation of disclosure requirements.

or

We reviewed all client accounts for:

1. Unsuitability of investment
2. Excessive trading
3. Improper use of discretion
4. Violation of disclosure requirements

Commas

These are the rules for using commas:

- 1. Use a comma to separate introductory units (a word, phrase or clause).**

Also, the Commission wants to make sure that its documents are professional.

Under section 36(2) of the *Securities Act*, the Executive Director may only restrict a registration if the registrant has been given an opportunity to be heard.

If you wish to take advantage of that opportunity, please explain why the Executive Director should not accept staff's recommendations.

- 2. Use commas in pairs to enclose additional, or parenthetical, material.**

The decision of the Director, Capital Markets Regulation, is based solely on available information.

I, George Truthful, agree to the described condition of registration.

- 3. Use commas to separate items in a series. Use a comma before the last *and*, and you will never be wrong. Leaving it out may confusingly merge the last two categories.**

The administrative assistant's new duties include typing, filing, duplicating, and answering the phone.

- 4. Use a comma to separate two main clauses that do not share a verb.**

We produced a second draft of this guide, and the team did the final proof reading

- 5. *But* do not use a comma if the two clauses share the same verb.**

We produced a second draft of this guide and then did the final proof reading.

Hyphens and dashes

These are the rules for using hyphens and dashes:

- 1. Use hyphens in compound adjectives consisting of two or more words which function as a unit and express a single thought. A compound adjective occurs *before* the noun.**

an *up-to-date* review, an *eye-catching* annual report, a *long-term* investment, *non-public* information, a *high-level* conference, *non-essential* data

(Exceptions include *high school diploma* or *word processing centre*.)

but The decision was made at a high level.
 I asked you to bring the style guide up to date.
 This investment in bonds runs for a long term.

Note: When these expressions occur elsewhere in a sentence but are in inverted word order or an altered form, retain the hyphen.

The report was eye-catching.

- 2. Use a hyphen (or an en dash) to link two figures in a continuous sequence, but do not leave a space before or after the hyphen.** (An en dash is a little longer than a hyphen but shorter than the em dash that is usually referred to just as a dash. You can find both using the Insert > Symbol function in Microsoft Word.)

on pages 318-340 (hyphen) or from pages 318–340 (an en dash)

in Articles I-III (hyphen) or Articles I–III (en dash)

3. Note that a number of adjective-noun combinations (such as *real estate*) and noun-noun combinations (such as *life insurance*) do not have a hyphen. They are well-known concepts or institutions easily grasped as a unit.

accounts payable records, *income tax* return, and *money market* funds

4. When a noun-noun combination consists of two words of relatively equal rank, hyphenate them.

price-earnings ratio
air-sea search
the space-time continuum

5. Hyphenate a compound adjective consisting of a noun and an adjective before or after the noun.

capital-intensive
user-friendly
tax-exempt
year-round

but

yearlong	worldwide	waterproof
newsworthy	industrywide	lifelong

6. Hyphenate all compound adjectives that consist of an adjective + noun + *ed* ending before or after the noun.

tax-sheltered	light-fingered
short-lived	market-tested

7. Do not hyphenate an adverb participle combination if the adverb ends in *ly*.

a highly valued employee
a magnificently written decision

8. Insert a suspending hyphen in a series of adjectives with a common basic element shown only with the last term.

long- and short-term securities
private- and public-sector partnerships
10- and 20-year bonds
8 1/2 - by 11-inch paper

Use the “em-dash”, (same width as a capital M) with no spaces, to give an emphatic separation of words in a sentence. You can do this easily by typing two hyphens right after a word and then continuing with the next word.

The Commission believes securities regulation should be easy to understand for all market participants—everyone from unsophisticated investors to sophisticated securities professionals.

Periods

These are the rules for using periods:

1. Never end a sentence with two periods, even if the last word is an abbreviation.

We learned the rules for commas, semicolons, hyphens, and colons, etc.

2. Use periods, instead of semicolons, to separate complete sentences in a list and start each item with a capital.

The Act also requires the following:

1. Within 90 days of each fiscal year, the Commission must prepare and submit to the minister a report for that fiscal year.
2. The minister must table the report before the Legislative Assembly as soon as practicable.
3. The report must contain specified information, including financial statements prepared in the form the minister requires.
4. The Commission must prepare financial statements under generally accepted accounting principles.

You may delete the period and other punctuation at the ends of listed items consisting of single words, phrases, and sentence fragments. If the item takes two or more lines, however, then periods provide a more natural “look”.

The Act also requires that:

1. The Commission prepare and submit to the minister a report within 90 days of the end of each fiscal year
 2. The minister table the report at the Legislative Assembly as soon as practicable
 3. The report contain specified information, including financial statements prepared in the form required by the minister
 4. The Commission prepare financial statements under generally accepted accounting principles
- 3. When you have both sentence fragments and complete sentences in listed items, use periods for both. Use capitals only at the beginning of the complete sentences.**

The main uses of annual reports are:

1. *For historical purposes.* They provide a summary of the year's activities and results by department.
2. *For promotional purposes.* Department directors use the reports to highlight the yearly achievements of their departments.
3. *For job searching.* People seeking employment with the organization use them to become better informed about its operations.

Semicolons

These are the rules for using semicolons:

- 1. Use semicolons between two or more complete but related sentences. Never use a semicolon to separate a sentence fragment or a phrase from a complete sentence.**

During the interview, we will provide the registrant with a copy of a section 39 order; that order authorizes the examiner to conduct the examination.

(You may also substitute a period for the semicolon here.)

- 2. Use semicolons to separate items in a list only if the items are internally punctuated by commas.**

The Commission mounted a comprehensive plain language program for staff: intensive, two-day training sessions; revisions to division precedents and correspondence formats; a mentoring system; and, a plain language refresher on staff writing.

3. Use semicolons to separate independent clauses linked by transitions such as *however, for example, consequently, or on the contrary*. (You can also separate them into two sentences.)

When the investigators confronted him with this information, Ross acknowledged he ought to have disclosed the five clients; however, it was not until his third interview with them that he revealed all 13 clients.

Spelling

These are guidelines about spelling:

1. **When in doubt, consult an up-to-date dictionary.** Do not rely on the spellchecker alone. It cannot distinguish between commonly confused words and correct spellings for a particular context. For example, it does not recognize the difference between *principal* (meaning *main or the principal in a school or law office*) and *principle* (meaning *a disclosure principle or rule*).
2. **Be consistent within a document.** For example, if you use a British spelling of a word (*licence* for a noun, for example), use only that spelling for the noun in your document. Canadians use a mixture of British and American spellings, and both variants are acceptable. *The Oxford Dictionary* and *The Canadian Oxford* both place British variants first (*colour*) and American variants second (*color*).

Here is the BCSC spelling style for the following words:

- Adviser (not *advisor*) referring to registrants (this is consistent with most of the Act)
- Advisor referring to lawyers and other types of professional services advisors
- Lowercase “b” for *board* (note that *board* refers to the body of commissioners previously referred to as the Commission)
- Capital “C” for Commission
- Lower case “c” for commissioners
- Email (**not** *e-mail*)
- Lower case “e” for e-Services
- Lowercase “i” for internet (**not** *Internet*)
- Online (**not** *on-line*)

Reflexive Pronouns

Only use *myself*, (or *herself*, *yourself*, etc.) reflexively. That means you must use *I* with *myself*, *you* with *yourself*, etc.

Incorrect	Correct
Please contact myself	Please contact me
The report was written by Cassandra and myself.	The report was written by Cassandra and me. <i>Even better, use the active voice:</i> Cassandra and I wrote the report.

Time

These are the rules for referring to time:

- 1 Type the abbreviations *a.m.* and *p.m.* in small letters without spaces.
- 2 For time on the hour, do not use zeros.

We will break at 12 noon and begin at 1 pm (not 1:00 pm)

3. In tables, however, use minutes for all if at least one reference is in minutes.

Departure	Arrival
9:50 a.m.	11:00 a.m.
5:00 p.m.	10:10 p.m.

4. Do not use am or pm unless digits are used

not *this a.m.* but *this morning*

5. Use the forms *9 a.m.* and *2:30 p.m.* for quick comprehension (rather than *o'clock*).

Writing for the Web

Most of the plain-language rules you follow in print apply to writing for the web.

The biggest difference between reading in print and reading on the web is scanning. When someone looks at a web page, they almost always scan. Their eyes jump from one subheading to the next, and they check the bulleted lists.

If they see the words they're looking for, they might stop to read. You need to make sure the words that matter are easy to spot. That's the most important thing to remember when you write for the web.

Writing

Know your audience

No matter what you're writing, you need to think of your audience first. What do they need to know from you?

Say you wrote an article that was included in a Continuing Legal Education (CLE) course, and you want to put it on the BCSC website. When you wrote the article, you knew it was for lawyers.

On the website, anyone might read your article. Is it going to make sense to a director of a company? An accountant? An investor? If not, will these people be interested in the topic?

If you think someone other than a lawyer will want to read the article, you need to re-write with that in mind. Follow the same rules that you would for a plain-language revision in print.

Identify up to five primary types of readers. On the BCSC website, you should consider these groups as possible readers:

- Accountants
- Directors and officers of public companies
- General public with little investment knowledge
- Lawyers
- Media
- Mutual fund salespeople
- Other regulators
- Securities salespeople
- Sophisticated investors

Don't try to write the same content for everyone. The great thing about the web is that you can provide several levels of detail by using links.

Start with a short summary to meet the needs of the general public, investors, and some directors and officers. Tell them the minimum they need to know. Stick to the point.

Then provide a link to more detail for the "motivated" visitors—the ones who have to follow the rules and aren't just curious.

At the bottom of the detailed page, provide links to the regulatory material—for the people who really need to know it all.

Keep it short

Readers on the web will be scanning for words that are relevant to them. It's very easy to click away from a page on a website—if they don't see what they're looking for right away, web readers move on.

This means you have to keep things short and easy to scan. Get your point across in as few words as you can.

For many people it's less comfortable to read from a screen than from paper—there's glare, the print isn't as clear, and even today many people aren't used to it. This gives further support for writing what you mean in fewer words.

If you originally wrote something for print, you may need to cut it in half for the web. Then try to reduce that even more.

Here are some guidelines for length on the web:

Headings	8 words or less
Sentences	15–20 words
Paragraphs	40–70 words
Documents	500 words or less

Highlight your sentence and use Tools > Word Count in Microsoft Word to find out how many words you've written.

Write active content

If you follow plain-language principles, you know to use active-voice verbs, not passive verbs. That still applies for writing on the web.

Try to write from the point of view of the reader. Use *you*—or use the imperative and assume *you* if writing instructions, as in all the bolded subheadings in this section.. The

reader has come to your website to complete a task or to find specific information. Tell them how. Try using a bulleted list and starting each line with an imperative, which is an active voice verb.

Give your readers links to more content on the same topic. Provide links to the right policies, regulations, and sections of the *Securities Act* in case they're interested. Link to the Questions & Answers database.

Plan for searchers

Why do you find some pages when you search the web, but not others? Because you chose the same words to search that someone else used when they wrote. When you're writing for the web, use synonyms within your content to give searchers a better chance of finding the topic they want.

Think about BCSC website visitors looking for information on *private placements*. How will they know they've got it if we only write about *exempt distributions*?

Write great summaries

Summaries can be used to introduce your article when it's in a list of related links, or they can be the first paragraph of the article itself.

The summary is the *who, what, where, when, how*. It's about getting the facts across in 50 words or less. An objective of a summary is to make people want to read on. Keep them punchy and factual.

Remember, people scan read. If the first sentence in the paragraph is not interesting, they'll move on. So, always lead off a paragraph with a factual sentence.

From Gerry McGovern at <http://www.gerrymcgovern.com/>

Communicate your message

Write a topic sentence for each paragraph. It might be the only thing that your readers read.

What can you do to help people scanning your webpage?

- Provide short but informative subheadings
- Use bulleted lists
- Write short paragraphs
- Use only one idea per paragraph
- Start with the conclusion
- Provide a contents box or page
- Make long pages easy to print

You can see the effects of editing content [on this page](#) about how people read on the web. The article shows how much usability improves with each revision of the content. Check out the combined version at the bottom of the page to see what you're aiming for.

Create great headings

Headings are the single most important piece of content you will write on the web. You should make them clear, descriptive, and short (no more than eight words).

Make the first word an important, information-carrying word. Cut out as many adjectives and prepositions as possible (*and, the, a, of*).

Your headings should include the subject keywords for your content. Search engine results and the Favourites menu often display headings and titles out of context. They need to make sense even when the rest of the content isn't available.

Editing

Ask someone else to edit your content. Enlist a plain-language mentor to work with you during the writing process.

The KMS web editor will be the last eye before the PublicWeb team publishes your content.

Editing tips

If at all possible, get someone else to edit your content. If you are editing someone else's content:

- Take your time. Good editing can take anything from 30-50 percent of the time it took to write the original content.
- Aim to do about three edits.
- Edit first for style and tone. Ask these questions: Is it clear? Is it necessary? Is there a shorter way to say this? Is there a simpler way to say this?
- Leave the checking of grammar and spelling until last. Print out the content. Get a ruler. Place the ruler at the end of the content and read backwards.

From Gerry McGovern at <http://www.gerrymcgovern.com/>

Structuring your content

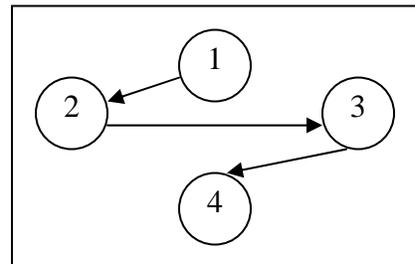
Make sure the most important content is at the top of the page, "above the fold" (what you can see on one screen without scrolling).

Leave details to the end. Lower content may not be seen because sometimes users don't realize they need to scroll.

Put important links higher – 80% of time is spent on the first screen of information and 20% on the remainder

Users look top centre, then left, then right, then down.

- ❑ Use less white space than you would on paper
- ❑ Divide text using white space, not lines
- ❑ Align both vertically and horizontally



Sample Documents

- Single-page letter
- Multiple-page letter
- Neutral citation document
- Sample public order document
- Email
- Memo
- Envelope

February XX, XXXX

File # (optional)

Scan # (optional)

Chris M. Yyy (Name of individual)

000 West Georgia Street

Vancouver BC V1V 1V1

Dear Chris Yyy:

Single Page Letter

Date the letter the day it is signed. Include the file and scan number if applicable. Set out the address so that it is not more than six lines and not less than three lines.

If you do not know the gender or marital status of the addressee, you may address the letter to the person by name (as above, without any middle initial). If you do, you may use Ms., Mrs., Miss or Mr. Or, if you know the addressee well enough, you may say Dear Chris. A colon follows the salutation.

In addresses, follow Canada Post two-letter style for all Canadian provinces and US states, for example, BC (no periods), AB, MB, and etc. For further information, visit the Canada Post website at www.canadapost.ca.

The *subject line* refers to the topic of the letter, is part of the body, and is in 14-point font. Use single spacing for the body of the letter and double spacing between paragraphs. Do not use “*Re:*” to introduce the subject line.

Print all correspondence on Commission letterhead. Do not add the name of your division at the top of the letter. Instead, put it in the signature block

Yours truly,

Full name

Title

Division name

Writer's initials/typist's initials (optional)

cc: Full name

Title Company

By registered mail

Personal and confidential

February XX, XXX

File # (optional)

Scan # (optional)

Name of individual

Job title or department

Name of Company

P.O. Box 0000, Pacific Centre

000 West Georgia Street

Vancouver BC V1V 1V1

Dear Name of individual:

Multiple Page Letter

The Commission uses the full block letter style format. Begin every line of the letter at the left margin, unless you are including a list or quoted text.

Mailing notations tell the addressee how you sent the letter, for example, **By registered mail**, **By facsimile**, and **By courier**. Type them in bold.

Addressee notation

The addressee notation tells how to handle mail when you receive it. These notations include:

Personal

Confidential

Please forward

Personal and confidential

Type them in bold above the date of the letter at the left margin.

Name of individual
Page 2
February XX, XXXX

Type the second and subsequent pages on the BCSC second page letterhead. Type the heading at the top of each page at line 06. The heading should include the individual's name or department, the page number and the date. On the second and subsequent pages, begin the body of the letter two to four lines below the heading.

Leave two spaces between the last paragraph of the letter and the complimentary closing. The complimentary closing for the Commission is *Yours truly*. Leave four to six blank lines for the signature.

Use reference initials to identify the letter's typist or writer, or both, and type the initials at the left margin two spaces below the last line of the signature block. Reference initials are optional.

When enclosing documents, type an enclosure notation one or two spaces below the complimentary closing at the left margin. If there is more than one enclosure, you may add the number or the names of the enclosures.

Type the copy notation at the left margin two spaces below the enclosure. The expression *cc* (carbon copy) is still used even though copies are commonly made by various methods. Or you can use the alternatives: *Copy to* or *Copies to*. Use the blind copy notation, *bcc*, when sending extra copies of a letter to another person but you do not inform the addressee. (Be careful not to send the *bcc*. copy to the addressee! If sending by email, of course, the system automatically keeps the addressee from knowing.)

Yours truly,

Full name Title Division name

Writer's initials/typist's initials (optional)

Attachments (2) (number of attachments or enclosures is optional)

bcc: Full name
Title
Company

2007 BCSECCOM 622

Hypo Alpe-Adria-Bank (Lichtenstein) AG

Sections 161(1), (2) and (3) of the *Securities Act*, RSB-C 1996, c 418

Hearing

Panel	Brent W. Aitken Neil Alexander Robert J. Milbourne	Vice Chair Commissioner Commissioner
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Hearing date September 14, 2007

Decision date September 14, 2007

Date reasons issued October 15, 2007

Appearing

C. Paige Leggat For the Executive Director

Gordon R. Johnson For Hypo Alpe-Adria-Bank (Lichtenstein) AG

Reasons for Decision

I Introduction

¶ 1 This was an application under section 161(3) of the *Securities Act*, RSBC 1996, c. 418 for an order extending a temporary order issued by the executive director against Hypo Alpe-Adria-Bank (Lichtenstein) AG until a hearing is held and a decision is rendered. The hearing on the merits has been set for January 30 and 31, 2008.

¶ 2 On September 14, 2007 we heard the application and extended the temporary order (see *Hypo Alpe-Adria-Bank (Lichtenstein) AG* 2007 BCSECCOM 555). These are our reasons.

II Background

- ¶ 3 On August 28, 2007 the executive director issued a notice of hearing and temporary order under section 161(1) and (2) against Hypo Alpe-Adria-Bank (Lichtenstein) AG (see *Hypo Alpe-Adria-Bank (Lichtenstein) AG 2007 BCSECCOM 511*). The temporary order prohibited Hypo from trading or purchasing any securities or exchange contracts in British Columbia.
- ¶ 4 Hypo is a subsidiary of Hypo Alpe-Adria-Bank International AG, an Austrian bank.
- ¶ 5 Hypo says it “has operated trading accounts for clients in British Columbia for over three years.” Hypo has accounts at six British Columbia investment dealers.
- ¶ 6 One of Hypo’s accounts is with Gateway Securities Inc. Hypo acknowledges that its clients have a financial interest in the account. However, Hypo says that due to banking secrecy laws in Lichtenstein, it cannot “forward any information concerning the beneficial owners of the securities traded” through its accounts.
- ¶ 7 The evidence, which Hypo did not dispute, shows that between April 18 and May 31, 2007, Gateway executed trades through the Hypo account in securities listed on two over-the-counter markets in the United States: the Over-the-Counter Bulletin Board and the Pink Sheets LLC. Of the 51 securities traded, all but one were quoted on the OTCBB or the Pink Sheets. During that period, 12% of the issuers whose securities were bought or sold through Hypo’s Gateway account were the subject of promotional email (spam), and 86% of the market transactions of spammed securities in the account were sales.
- ¶ 8 On May 16 and 17 Commission staff received spam identifying one of the OTCBB-quoted issuers, Compliance Systems Corporation, as an issuer whose shares were “getting ready to make a run for the top!” On May 16, the trading volume in Compliance Systems’ shares was 34,250 shares; on the 17th it was 1,140,000 shares. About 28% of this volume was represented by trades made through Hypo’s Gateway account; all those trades were sales.
- ¶ 9 In the course of investigating this trading activity, Commission staff sought to identify the beneficial owners of the shares being traded in Hypo’s Gateway account. They have been unsuccessful. When Commission staff asked Hypo for information, Hypo responded as follows:
- “Following a careful consideration of the respective legal aspects, therefore we have to tell you, that we will not be able to provide you with any kind of information, related to our clients.”
- ¶ 10 The executive director says that without this information, Commission staff are unable to investigate the trading by the beneficial owners.
- ¶ 11 Following discussions with Commission staff, Gateway voluntarily agreed to suspend trading in the Hypo account.

¶ 12 At the hearing on the merits, the executive director will be seeking an order prohibiting Hypo from trading or purchasing any securities or exchange contracts in British Columbia until the identities of all of the beneficial owners of Hypo accounts at dealers in British Columbia are known to Commission staff.

¶ 13 In the meantime, the executive director argued that it is necessary and in the public interest that the temporary order be extended until that hearing is held a decision rendered.

III Discussion and analysis

A The test for extending a temporary order

¶ 14 To extend a temporary order, the commission must find that it is necessary and in the public interest to do so.

¶ 15 Section 161(3) of the Act says:

161(3) If the commission . . . considers it necessary and in the public interest, the commission may . . . make an order extending a temporary order until a hearing is held and a decision rendered.

¶ 16 In *Terry James Minnie and Raymond Patrick Shaw* 2004 BCSECCOM 677, the commission said this about the standard of proof required to establish that an extension of a temporary order is necessary and in the public interest:

As stated in *Fairtide*, there is no bright line test. The commission considers evidence using its expertise and specialized understanding of the markets . . . to determine what is in the public interest . . .

Staff must produce evidence for the commission independently to assess whether there is *prima facie* evidence of the misconduct alleged and whether, in the circumstances, the extension is necessary and in the public interest. The evidence must be more than staff's opinion or belief . . .

. . .
. . . where there is *prima facie* evidence of egregious behaviour, our main aim must be to protect the public.

¶ 17 This enunciation of the standard of proof for extending a temporary order is useful in cases like *Fairtide* and *Minnie*, where the circumstances involve a known respondent and clearly defined alleged misconduct.

¶ 18 However, there is another category of cases, involving conduct that appears could be in contravention of the Act or otherwise be contrary to the public interest by persons

unknown and, because they are unknown, it is not possible to gather the information necessary to meet the *prima facie* evidence standard described in *Fairtide* and *Minnie*.

- ¶ 19 For that category of cases, *LOM (Holdings) Limited et al* 2005 BCSECCOM 144 is instructive. In that case, the commission noted that it could be in the public interest to issue a cease trade order absent evidence of inappropriate trading activity. The commission said, “There is also no evidence of any inappropriate trading activity. Even without such evidence, it could still be in the public interest to make a cease trade order.”
- ¶ 20 The commission has a broad public interest mandate to protect investors and maintain confidence in our capital markets, a mandate that has found strong support in the courts. (See, for example: *Brosseau v Alberta Securities Commission*, [1989] 1 SCR 301; *Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 SCR 557 at 589; *British Columbia Securities Commission v Branch*, [1995] 2 SCR 3 at 26; *Global Securities Corp v British Columbia (Securities Commission)*, [2000] 1 SCR 494; *Re Cartaway Resources Corp*, [2004] 1 SCR 672.)
- ¶ 21 In considering whether it is necessary and in the public interest to extend a temporary order, the commission must assess the risk to the capital markets. If that risk assessment is hampered because commission staff cannot obtain information on a timely basis about the trading of individuals whose identities are protected by foreign banking secrecy laws, the balance of interests must be tilted in favour of protecting our capital markets. Otherwise, persons intent on engaging in activities that would damage our capital markets could have a free pass simply by conducting their activities through the offices of a financial institution located in a jurisdiction with banking secrecy laws that suited their purposes. That would be an outcome inconsistent with the public interest.

B The executive director’s arguments

- ¶ 22 The executive director says it is a reasonable inference that some or all of the beneficial owners of the shares traded in the Hypo account at Gateway directly or indirectly participated in the spam campaign related to Compliance Systems.
- ¶ 23 The executive director says that Hypo’s continued trading on behalf of unknown beneficial owners through British Columbia dealers poses an ongoing risk and a threat to the public interest in the form of investor losses and damage to the integrity of the market.

C Hypo’s arguments

- ¶ 24 Hypo does not dispute that it is in the public interest that the commission have policies and procedures to combat market manipulations effected through spam campaigns and other means.
- ¶ 25 However, Hypo argued that we ought not to extend the temporary order for these reasons:

1. There is no evidence of a manipulation having occurred in connection with the spam, although it admits that there is evidence that (i) an improper spam campaign has taken place, and (ii) a Hypo client at least knew of the spam campaign and may have participated in it by trading through the bank's accounts in British Columbia.
2. The commission should recognize that some trading in British Columbia is directed from off-shore, in some cases from countries that have banking secrecy laws. Although banking secrecy laws may appear odd and even suspicious to those in British Columbia, the jurisdictions that have such laws, such as Switzerland and Liechtenstein, have properly functioning capital markets.
3. It has made representations and undertakings to the commission, which in practical terms represent the maximum extent to which the Bank can cooperate while complying with Liechtenstein law.
4. There is no evidence of any "spamming" or suspect trading since May of 2007.
5. There is no suggestion that the Bank itself was involved in any improper conduct or activity. There is no evidence to suggest, and it is not suggested, that the Bank had advance notice that one or more of its clients would come under suspicion of conducting an improper spam campaign.

D Analysis

- ¶ 26 Spam is simply a new tool in an old game. It takes advantage of modern technology, the internet, to disseminate false, misleading and promotional information about an issuer in order to facilitate a classic "pump and dump" manipulation. Its sinister aspect is that the speed of communication over the internet dramatically shortens the time necessary to profit from the manipulation. That same speed reduces the risk of detection while the manipulation is underway.
- ¶ 27 The commission has stated that trading abuses in the US over-the-counter markets conducted through British Columbia securities dealers damage the reputation of our capital markets (see BC Notice 2007/24 *BCSC Response to Abusive Practices in British Columbia Involving US Over-the-Counter Markets* published June 25, 2007). Damage to the reputation of our markets puts their integrity at risk.
- ¶ 28 We disagree with Hypo's submission that there is no evidence of a manipulation having occurred in connection with the spam campaign. The high volume of sales of spammed securities from Hypo's Gateway account reveals a trading pattern that on its face appears consistent with patterns present in abusive trading schemes in the US over-the-counter markets. That the trading was contemporaneous with a spam campaign raises suspicion even further.
- ¶ 29 It is a fact, as Hypo says, that some trading in British Columbia is directed from off-shore, in some cases from countries that have banking secrecy laws. However, the

secrecy laws of foreign jurisdictions are not relevant to the Commission's exercise of its public interest responsibility. The secrecy laws in another jurisdiction cannot serve as a shield against the legitimate exercise by the commission of its powers to enforce securities regulation in British Columbia, as stated by the commission in *Stephen C. Sayre et al* [2000] 21 BCSC Weekly Summary 75 in language approved by the British Columbia Court of Appeal (see *Exchange Bank & Trust Inc. v. British Columbia Securities Commission*, 2000 BCCA 389 (QL) at paras. 14, 15; *Exchange Bank & Trust Inc. v. British Columbia Securities Commission*, 2000 BCCA 549 (QL)):

[T]he property subject to the Orders is in British Columbia and it is the securities laws of British Columbia . . . that are alleged to have been contravened. [Exchange Bank and Trust] chose to locate assets outside the jurisdiction of Nevis and must accept that those assets are subject to laws of the jurisdiction in which they are located, in this case British Columbia. It would be an utter abandonment of the public interest if we were to conclude that a party subject to secrecy laws in another jurisdiction could use those laws to shield themselves from the legitimate exercise of powers to enforce securities regulation in British Columbia. In short, the Nevis privacy laws are not relevant.

- ¶ 30 Hypo says that jurisdictions that have banking secrecy laws have properly functioning capital markets, naming Switzerland and Lichtenstein specifically. That is not relevant to this application. The question before us is the impact those laws have on the ability of the commission to regulate our markets.
- ¶ 31 Hypo promises to take steps to stop the suspicious trading, including refusing any trading orders involving stocks identified on the commission's SpamWatch database. That is fine as far as it goes, but ultimately it is beside the point. It is not an answer to circumstances that impair the commission's obligation regulate its own markets in the public interest.
- ¶ 32 We considered it necessary and in the public interest that Hypo be prohibited from trading in British Columbia until the hearing is held and a decision rendered, for these reasons:
1. We find that there is evidence of suspicious trading that could be an attempt to manipulate the market in Compliance Systems shares through the Hypo account at Gateway.
 2. There appears to have been conduct that contravenes the Act or is otherwise contrary to the public interest by persons unknown. That presents a risk to our markets. Because commission staff cannot establish on a timely basis the identities of those making the suspicious trades, they cannot investigate those trades, never mind gather the information necessary to meet the *prima facie* evidence standard described in *Fairtide* and *Minnie*.

3. Persons unknown that appear to be associated with suspicious trading chose to use Hypo as a conduit to make their trades. The trading is suspicious because it appears consistent with manipulative activity.

Gateway has stopped trading Hypo's account, but Hypo has accounts at other dealers. We have no way of knowing whether the beneficial owners involved in the trading in the Gateway account have any connection with the beneficial owners at the other accounts. There is also nothing to stop Hypo from opening new accounts at other dealers on the instructions of these same clients. Without an extension of the temporary order, Hypo would be free, on the instructions of those clients, to continue to trade through any number of accounts at British Columbia dealers. That presents a risk to our markets.

4. Extending the temporary order is the only way to be sure that Hypo's clients do not continue to trade through dealers in British Columbia until the hearing is held and a decision rendered.

E Other arguments

- ¶ 33 The parties made further arguments that are more relevant to the issue of whether Hypo ought to be subject to a permanent cease-trade order than to our consideration of whether the temporary order ought to be extended. Although those arguments will be of interest to the panel that hears the matter on its merits, they were not relevant to this application.

IV Decision

- ¶ 34 We therefore decided to extend the temporary order until a hearing is held and a decision rendered.

- ¶ 35 October 15, 2007

- ¶ 36 **For the Commission**

Brent W. Aitken, Vice Chair

Neil Alexander, Commissioner

Robert J. Milbourne, Commissioner

Appointment to Review

[Firm full name]

Section 141.2 of the *Securities Act*, RSBC 1996, c. 418

Appointment to review

[Firm full name (the firm)] is a [registrant, investment fund manager, custodian of assets of an investment fund] under the Act. Under section 141.2 of the Act, I appoint Michael Sorbo, Janice Leung, Nirwair Sanghera, and Edwin Leong to review the firm's business and conduct. The purpose of the review is to evaluate whether the firm has complied, and is complying with:

- the Act and the regulations, and
- any decisions under the Act or regulations.

Reviewer's authority and process

As soon as you receive this order, any of the individuals named in this order may enter the firm's premises during business hours and may:

- Examine any documents or other things that are used in the business or relate to business matters
- Copy or temporarily remove records to be examined or copied, or reviewed at our offices
- Examine the firm's property, assets, liabilities, financial records or things
- Interview or ask questions of the firm, its employees, or agents about the business, matters relating to the business, or conduct that reasonably relate to the review

Director's authority to impose fees

Section 141.2(5) of the Act permits the Executive Director to require the firm to pay for the costs of this review. If the Executive Director orders the firm to pay the costs of this review, we will collect the costs prescribed by item 29, section 22 of the *Securities Regulation*, BC Reg. 196/97.

Obligation to provide information

No one may withhold, destroy, conceal, or refuse to give any information, or refuse to produce any record or thing reasonably required for a review or an examination.

Date

Name

Position, Branch or Division

Sample email

To

Cc

Subject Capital Ideas 2007 - preview to August 23 conference call w/ BCSC

Dear Mr./Ms. [Conference Speaker]:

Thank you for agreeing to discuss Capital Ideas on August 23. This email gives you:

1. The agenda for our conference call
2. The BCSC staff who will participate
3. An overview of Capital Ideas, and
4. As a warm-up for our discussion in August, a bit about our expectations for your panel participation.

I also hope you will have time to participate in a session with our staff for regulator-to-regulator discussions on the afternoon of **October 31** or on **November 1**. We look forward to discussing this further on August 23.

Conference call recap

We will phone you at 12 noon (Eastern time), August 23rd at 202-551-6690. Please let me know if this is the best number to reach you at.

BCSC Participants

- Participant 1
- Participant 2
- Participant 3
- Participant 4
- Participant 5

Agenda

- Introductions
- Overview of Capital Ideas—conference goal, objectives, format
- Overview of Canadian regulatory landscape and conference attendees' perspective
- Your preliminary thoughts about your focus
- Questions and Discussion
- Staff sessions

As you can see, we have a full agenda. If you have any questions before August 23, please phone or email me.

About Capital Ideas 2007

Please [see our website](#) for a summary of the event.

Your Statement

We will need an opening statement of about 120 words from you for our conference brochure. This statement should make a clear declaration about your views on the globalized nature of securities enforcement and the relationship between administrative and criminal enforcement as you see it from your role at the SEC. This statement will give a focus to the panellists, moderator, and delegates for the discussion that follows.

Please send your draft statement by August 31, 2007.

Questions

We have a fairly good idea about some of the themes that will emerge from the panel discussion and will share these with you before the call. We look forward to receiving additional questions from you after the call, along with a rough idea of the answers you expect to give. The purpose of this document is to help guide our moderator in his questions to you and to ensure that he raises the issues you care about.

We hope that, during our call on August 23, you will be able to tell us about some case studies you might use to illustrate your organization's successes and challenges in enforcing securities law.

Senders name

Title

Full BCSC signature block



British Columbia
Securities Commission

MEMORANDUM

To Name Title Division name (optional)

cc Name Title Division name (optional)

From Name Title Division name (optional)

Date

Subject Use a descriptive subject line that clearly states the purpose of the memo

Type the body of the memo using single spacing. Use two spaces between paragraphs. Refer to the *Plain Language Style Guide* for information on how to prepare Commission documents.

There is no complimentary closing or salutation for a memo.

Writer's name (optional)
Writer's initials/typist's initials (optional)
Enclosure

Inserting a DM hyperlinks to related documents can save you from sending multiple documents when sending a memo by email.

Envelopes

1. Postal codes are made up of six characters and must appear in the alpha, numeric, alpha, 1 space, numeric, alpha, numeric format (for example, V8V 1X4).
2. The postal code must be in upper case and placed two spaces to the right of the province with one space between the first three and last three characters. It is on the last line of the address, which includes

City name, 1 space, Province, 2 spaces, Postal Code in upper case.
(for example, Vancouver BC V7Y 1L2)
3. Follow Canada Post two-letter style for all Canadian provinces and US states, examples, BC (no periods), AB, SK, MB, ON. For further information, visit the Canada Post website at <http://www.canadapost.ca> (select Find a Postal Code)
4. Type the name and address as it appears in the letter not lower than 3/4" from the bottom edge of the envelope and not higher than 1 3/4" from the bottom edge of the envelope.
5. Do not put any written information below the Postal Code.
6. Use BCSC envelope template. To install the template, go to Start and click on Settings, Control Panel, Add and Remove Programs, Scroll down to # 14 "BCSC envelope template and macro" and install. The other alternative is to click on Tools, envelope and labels, envelope and print.

After

New Ontario financial statement reporting requirements

January 2001

The Ontario Securities Commission (OSC) adopted new financial reporting rules. For fiscal periods beginning in January 2001 or later, reporting issuers in Ontario must:

- 1. Interim MD&A** Include an interim MD&A with interim financial statements.

- 2. Interim financial statement** Include a balance sheet, statement of retained earnings, and income and cash flow statements for the latest three-month period (with related notes).
Have either the board of directors or the audit committee review the interim financials statements before filing or mailing.

- 3. Balance sheets for interim or annual financial statements** Include 14 specified line items, subject to certain thresholds.

These changes result from the new OSC Rule 51-501 *AIF and MD&A* (which replaces OSC Policy 5.10) and OSC Rule 52-501 *Financial Statements*. We discuss each in further detail below.